

**MINUTES OF MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
April 17, 2024 5:30 p.m.**

President Green called to order the April 17, 2024 regular meeting of the Orange County Water District Board of Directors at 5:30 p.m. Following the Pledge of Allegiance to the Flag, the District Secretary called the roll and reported a quorum as follows. Public access was also provided via Zoom webinar.

Directors

Valerie Amezcuia
Denis Bilodeau
Cathy Green
Dina Nguyen (arrived 5:45 p.m.)
Natalie Meeks (arrived 5:35 p.m.)
Stephen Sheldon
Van Tran
Erik Weigand
Bruce Whitaker
Roger Yoh

Staff

John Kennedy, General Manager
Jeremy Jungreis, General Counsel
Christina Fuller, District Secretary

VISITOR PARTICIPATION

Mesa Water District General Manager Paul Shoenberger stated his support for the proposed Resolutions A through D and noted that the Producers are in favor of the proposed Budget.

1. Public Hearing to Consider Water Year 2024-25 Replenishment Assessments, Basin Equity Assessment, Basin Production Percentage, Production Requirement Limitation and Surcharge

President Green opened the public hearing for Finding and Determining the Groundwater Basin Overdraft; Levying the RA, Additional RA, and Fixed Charge RA, establishing the BPP, establishing a Production Limitation and a Surcharge, and setting the BEA. Executive Director Chris Olsen explained that The District Act requires a public hearing be held each April to establish the Replenishment Assessment (RA), Additional Replenishment Assessment (ARA), Basin Production Percentage (BPP), Production Limitation and Surcharge, and the Basin Equity Assessments (BEA). He stated that staff recommends setting the RA and ARA at \$688 per acre-foot. He reported that the BPP remains at 85% and that a Production Limitation of 100% would be established along with a Surcharge of \$2,000/acre-foot for groundwater production above the Production Limitation. Mr. Olsen noted the rates established by the Board would become effective July 1, 2024. President Green then opened the hearing for public comment.

There being no persons wishing to present testimony, President Green declared the hearing closed and the Board took the following actions.

The resolutions were voted on after the Consent calendar, out of order of the agenda.

1. Resolution A

Upon motion by Director Bilodeau, seconded by Director Meeks, with Director Sheldon voting “No”, the following resolution was adopted [9-1] by roll call vote.

Ayes: Amezcuia, Bilodeau, Green, Meeks, Nguyen, Tran, Weigand, Whitaker, Yoh

Noes: Sheldon

RESOLUTION NO. 24-4-31
FINDING AND DETERMINING A GROUNDWATER BASIN OVERDRAFT EXISTS

WHEREAS, the report and recommendation of the General Manager on the amount of the replenishment rates, which includes a consideration of the amount of money necessary for replenishment purposes and to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District, has been heard; and

WHEREAS, pursuant to the provisions of the Orange County Water District Act, an engineering investigation and report concerning the condition of the groundwater supplies of the Orange County Water District has been filed and presented to the Board of said District, and a public hearing was held on March 20, 2024, for the purpose of considering the groundwater conditions of said District and to hear persons supporting or protesting the written engineering investigation and report on file with said District; and

WHEREAS, all notices as required regarding said hearing were given and all persons were permitted an opportunity to submit any evidence to this Board; and said matter was submitted to this Board of Directors for their finding and determination;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors of the Orange County Water District finds and determines that an overdraft, both annual (based on normal hydrology) and accumulated, does exist in the groundwater supplies of said District; and

BE IT FURTHER RESOLVED that this Board of Directors hereby finds and determines as follows:

1. That the average annual overdraft for the immediate past five water years without supplemental replenishment water is 103,700 AF
2. That the annual basin overdraft for the current water year, July 1, 2023 to June 30, 2024 without supplemental replenishment water is estimated to be 98,000 AF
3. That the estimated annual basin overdraft for the ensuing water year, July 1, 2024 to June 30, 2025 without supplemental replenishment water is 110,000 AF
4. That the accumulated overdraft as of the last day of the preceding water year, June 30, 2023, is 189,000 AF
5. That the accumulated overdraft as of the last day of the current water year, assuming average hydrology June 30, 2024 is estimated to be 168,000 AF
6. That the maximum amounts of water which could be purchased pursuant to the District Act from the Replenishment Fund for the replenishment of the groundwater supplies of the District for the ensuing water year is 123,000 AF
7. That the recommended amount of water to be purchased for the replenishment of the groundwater supplies of the District for the ensuing water year, excluding supplies for the Talbert seawater intrusion barrier, is 3,000 AF

8. That the amount of money necessary to purchase the recommended amount of water to replenish the groundwater supplies of the District for the water year July 1, 2024 to June 30, 2025 is \$6.0 million

2. Resolution B

Upon motion by Director Yoh, seconded by Director Bilodeau, with Directors Sheldon and Tran voting "No", the following resolution was adopted [8-2] by roll call vote.

Ayes: Amezcua, Bilodeau, Green, Meeks, Nguyen, Weigand, Whitaker, Yoh

Noes: Sheldon, Tran

RESOLUTION NO. 24-4-32
LEVYING REPLENISHMENT ASSESSMENT FOR WATER PRODUCED
DURING WATER YEAR 2024-25

WHEREAS, the engineering investigation and report concerning the condition of the groundwater supplies of the Orange County Water District has been made and filed; and

WHEREAS, the report and recommendation of the General Manager on the amount of the replenishment rate, which includes a consideration of the amount of money necessary for replenishment purposes and to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District, has been heard; and

WHEREAS, on March 20, 2024, the District provided public documents on a potential increase to the Replenishment Assessment to be levied and imposed on each groundwater producer, and the basis and reasons for the proposed Replenishment Assessment; and

WHEREAS, a duly noticed public hearing was held on March 20, 2024 concerning the condition of the groundwater supplies of this District and a duly noticed public hearing was held on April 17, 2024 for the purpose of determining the need and desirability of levying a Replenishment Assessment; and

WHEREAS, no written protests were filed against the adoption, levy and imposition of the proposed Replenishment Assessment; and

WHEREAS, this Board has found and determined that an annual and accumulated overdraft does exist;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: That the Board of Directors does hereby find and determine that it is necessary and desirable to levy a Replenishment Assessment and to fix the rate thereof for the purchase of water to replenish the groundwater supplies of said District and to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District for the ensuing water year.

Section 2: That, based upon the staff report and presentation, the proposed fiscal year 2024-25 budget presented by the General Manager, and the testimony and evidence presented at the public hearing, the Board of Directors finds and declares as follows:

- (a) In accordance with Sections 23 and 27 of the Orange County Water District Act, the purposes of the Replenishment Assessment are to generate revenues sufficient to acquire water to replenish the average annual overdraft for the immediate five years plus an additional amount of water sufficient to eliminate over a period of not less than 10 years nor more than 20 years the accumulated overdraft, and to provide the services and to pay the costs of initiating, carrying on, and completing the powers, projects and purposes for which the District was organized and which are authorized by the Board of Directors;
- (b) The revenues derived from the levy and imposition of the Replenishment Assessment do not exceed the reasonable costs to the District of acquiring water, providing the groundwater management and replenishment services and carrying out the powers, projects and purposes for which the District was organized, and which are authorized by the Board of Directors;
- (c) The Replenishment Assessment is imposed for groundwater management and replenishment services to pay the costs of initiating, carrying on, and completing the powers, projects, and purposes for which the District was organized, and which are authorized by the Board of Directors, which are not provided to, or which do not provide a benefit to persons who are not charged directly or indirectly the Replenishment Assessment;
- (d) The manner in which the Replenishment Assessment is allocated to and imposed on any operator of a groundwater producing facility bears a fair and reasonable relationship to the operator's burdens on, or benefits received from, the District's groundwater management and replenishment services and such other projects and purposes for which the District was organized, and which are authorized by the Board of Directors; and
- (e) No Replenishment Assessment shall be levied or imposed upon any operator of any groundwater producing facility unless that operator produces groundwater.

Section 3: That pursuant to the provisions of Section 27 of the Orange County Water District Act, and based upon the finding that an overdraft, either annual or accumulated, exists, a Replenishment Assessment is hereby levied and assessed against all persons operating water producing facilities and producing water during the ensuing water year, from July 1, 2024 to and including June 30, 2025, from the groundwater supplies of said District at the uniform rate of \$344 per acre-foot of water produced by all persons during the ensuing water year. The Board of Directors finds and determines that the replenishment rate of \$344 per acre-foot of water produced by all persons during the ensuing water year does not exceed the amount necessary to purchase sufficient water to replenish the average annual overdraft for the immediate five years, plus an additional amount of water sufficient to eliminate over a period of not less than 10 years nor more than 20 years the accumulated overdraft, plus an amount to pay the costs of initiating, carrying on and completing the powers, projects and purposes for which the District was organized.

Section 4: That the Secretary of this District is hereby instructed and directed to give notice of the levy of this Replenishment Assessment as required by the Orange County Water District Act.

3. Resolution C

Upon motion by Director Yoh, seconded by Director Amezcuia, with Directors Sheldon and Tran voting "No," the following resolution was adopted [8-2] by roll call vote.

Ayes: Amezcuia, Bilodeau, Green, Meeks, Nguyen, Weigand, Whitaker, Yoh

Noes: Sheldon, Tran

RESOLUTION NO. 24-4-33
LEVYING ADDITIONAL REPLENISHMENT ASSESSMENT AND FIXED CHARGE
REPLENISHMENT ASSESSMENT FOR WATER PRODUCED

**DURING WATER YEAR 2024-25, AND DETERMINING THE REPLENISHMENT ASSESSMENT
AND ADDITIONAL REPLENISHMENT ASSESSMENT
EXEMPT FROM CEQA**

WHEREAS, the engineering investigation and report concerning the condition of the groundwater supplies of the Orange County Water District has been made and filed; and

WHEREAS, the report and recommendation of the General Manager on the amount of the additional replenishment rate, which includes a consideration of the amount of money necessary for replenishment purposes and to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District, has been heard; and

WHEREAS, on March 20, 2024 the District provided public documents on a potential increase to the Additional Replenishment Assessment to be levied and imposed on each groundwater producer, and the basis and reasons for the proposed Additional Replenishment Assessment; and

WHEREAS, the Additional Replenishment Assessment is paid by all persons operating water producing facilities for all purposes other than irrigation as defined in the District Act; and

WHEREAS, a duly noticed public hearing was held on March 20, 2024 concerning the condition of the groundwater supplies of this District and a duly noticed public hearing was held on April 17, 2024 for the purpose of determining the need and desirability of levying an Additional Replenishment Assessment, and fixing the rate thereof; and

WHEREAS, no written protests were filed against the adoption, levy and imposition of the proposed Additional Replenishment Assessment; and

WHEREAS, this Board has heretofore levied a Replenishment Assessment against all persons operating water producing facilities and producing water during the ensuing water year, from July 1, 2024 to and including June 30, 2025, from the groundwater supplies of said District at the uniform rate of \$344 per acre-foot of water produced by all persons during the ensuing water year;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: That the Board of Directors does hereby find and determine that it is necessary and desirable to levy an Additional Replenishment Assessment and to fix the rate thereof to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District for the ensuing water year.

Section 2: That, based upon the staff report and presentation, the proposed fiscal year 2024-25 budget presented by the General Manager, and the testimony and evidence presented at the public hearing, the Board of Directors finds and declares as follows:

- (a) In accordance with Sections 23 and 27.1 of the Orange County Water District Act, the purpose of the Additional Replenishment Assessment is to generate revenues sufficient to provide the services and to pay the costs of initiating, carrying on, and completing the powers, projects, and purposes for which the District was organized, and which are authorized by the Board of Directors;

- (b) The revenue derived from the levy and imposition of the Additional Replenishment Assessment shall not exceed the reasonable cost to the District of providing the groundwater management and replenishment services and carrying out the powers, projects, and purposes for which the District was organized, and which are authorized by the Board of Directors;
- (c) The Additional Replenishment Assessment is imposed for groundwater management and replenishment services and to pay the costs of initiating, carrying on, and completing the powers, projects and purposes for which the District was organized, and which are authorized by the Board of Directors, which are not provided to or which do not provide a benefit to persons who are not charged directly or indirectly the Additional Replenishment Assessment;
- (d) The manner in which the Additional Replenishment Assessment is allocated to and imposed on any operator of a groundwater producing facility bears a fair and reasonable relationship to that operator's burdens on, or benefits received from the District's groundwater management and replenishment services and such other projects and purposes for which the District was organized, and which are authorized by the Board of Directors; and
- (e) No Additional Replenishment Assessment shall be levied or imposed upon any operator of any groundwater producing facility unless that operator produces groundwater for purposes other than irrigation.

Section 3: That pursuant to the provisions of Section 27.1 of the Orange County Water District Act, the Board of Directors hereby finds and determines that it is necessary and advisable to levy an Additional Replenishment Assessment against all persons operating water producing facilities for all purposes other than irrigation at a uniform rate per acre-foot for water produced during the ensuing year for the purpose of paying the costs of initiating, carrying on and completing the powers, projects and purposes for which the District is organized. The Board of Directors further finds that the Additional Replenishment Assessment rate of \$344 per acre-foot of water produced from the groundwater supplies of the District is necessary for the protection of the water supplies of the District and that the amount is reasonable. An Additional Replenishment Assessment is hereby levied and assessed against all persons operating water producing facilities and producing water from the groundwater supplies of said District for all purposes other than irrigation during the ensuing water year from July 1, 2024 to and including June 30, 2025 at the uniform rate of \$344 per acre-foot of water for a total of \$688 per acre-foot of water produced by said persons during the ensuing water year for purposes other than irrigation.

Section 4: Pursuant to Section 29 of the Orange County Water District Act, the Board of Directors of the Orange County Water District does hereby provide that the operator of any water producing facility within the District which has a discharge opening not greater than two inches in diameter and which does not provide domestic or irrigation water for an area in excess of one acre, in lieu of filing a sworn statement as to the production of groundwater, may pay a fixed Replenishment Assessment and Additional Replenishment Assessment in the amount of \$688 for water produced in the ensuing water year, namely July 1, 2024 to June 30, 2025.

Section 5: Based upon the staff report and presentation, the proposed fiscal year 2024-25 budget presented by the General Manager, and the testimony and evidence presented at the public hearing, the Board of Directors finds and declares that the adoption, levy and imposition of the Replenishment Assessment and Additional Replenishment Assessment do not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") and are exempt from CEQA under Public Resources Code Section

21080(b)(8) and State CEQA Guidelines §§ 15378(b)(4) and 15273, because the Replenishment Assessment and Additional Replenishment Assessment: (a) involve the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and (b) are for the purposes of meeting operating expenses (including employee wage rates and fringe benefits), purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain the level of service within the District's existing boundaries.

Section 6: That the Board of Directors does hereby find and determine that a producer who operates a groundwater production facility for irrigation purposes as defined in the District Act is not subject to payment of the Additional Replenishment Assessment due to the benefits the District receives from agricultural activity. These benefits include:

- Open tilled agricultural fields contribute to natural incidental recharge of the groundwater basin;
- The District does not incur the costs to provide water quality groundwater testing for agricultural users, which is provided to the operators of water producing facilities for purposes other than agriculture;
- The District and the operators of water producing facilities for agricultural purposes have little to minimal interaction in annual operations. Conversely the District and the operators of facilities for non-agricultural purposes regularly interact and/or coordinate operations. Examples include the MWD Conjunctive Use Program, the Coastal Pumping Transfer Program, attending meetings, coordinating on MWD issues, legislative advocacy, public outreach and the In-lieu program; and
- Some agricultural irrigation water migrates back into aquifer reducing the net impact of groundwater production for agricultural purposes.

Section 7: That the Secretary of this District is hereby instructed and directed to give notice of the levy of the Replenishment Assessment and this Additional Replenishment Assessment as required by the Orange County Water District Act, and to file a Notice of Exemption in accordance with CEQA.

4. Resolution D

Upon motion by Director Meeks, seconded by Director Weigand, with Director Tran voting "No", the following resolution was adopted [9-1] by roll call vote.

Ayes: Amezcuia, Bilodeau, Green, Meeks, Nguyen, Sheldon, Weigand, Whitaker, Yoh

Noes: Tran

RESOLUTION NO. 24-4-34

ESTABLISHING THE BASIN PRODUCTION PERCENTAGE, PRODUCTION LIMITATION, PRODUCTION LIMITATION SURCHARGE, AND DETERMINING THE NEED AND DESIRABILITY TO LEVY BASIN EQUITY ASSESSMENTS AND AMOUNT THEREOF, AND DETERMINING SUCH ACTIONS TO BE EXEMPT FROM CEQA

WHEREAS, pursuant to Section 31.5 of the Orange County Water District Act, an engineering report on water production and the condition of water supplies within the Orange County Water District has been filed and presented to the Board of Directors of said District, and a hearing relating to said production and condition of water supplies was held on Wednesday, March 20, 2024; and

WHEREAS, a duly noticed public hearing was held on April 17, 2024 and evidence submitted for the

purpose of determining the need and desirability of levying Basin Equity Assessments and the amount thereof, as well as the need for establishing production requirements, limitations, and surcharges to enforce said limitations, and the extent thereof, and said matters having been submitted to the Board of Directors for its findings and determinations;

WHEREAS, as documented with Resolution A, Finding and Determining a Groundwater Basin Overdraft Exists, an annual and accumulated overdraft exists with the groundwater basin and the District does not want excessive unexpected quantities of groundwater to be produced, or production of groundwater to occur in a manner that has the potential to harm users of groundwater within the District, which the setting of a Production Limitation and a Surcharge will discourage and penalize.

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: That the Board of Directors does hereby find and determine for the ensuing water year July 1, 2024 to June 30, 2025 as follows:

- a. The estimated total amount of water to be produced by all persons or operators within the District from the groundwater within the District is 292,000 acre-feet. Approximately 17,000 acre-feet of this amount has been determined to receive either a partial or full Basin Equity Assessment exemption pursuant to Section 38.1 of the OCWD Act.
- b. The estimated total amount to be produced by such persons and operators from groundwater and supplemental sources is 352,000 acre-feet.
- c. The Basin Production Percentage is 85 percent. There are no basin Production Requirements.
- d. The Production Limitation is 100 percent for all 19 retail Groundwater Producers and is necessary for the protection of the water supply of the District. The Surcharge for production in excess of the Production Limitation is \$2,000 per acre-foot.
- e. The Basin Equity Assessment and Production Limitations from groundwater within the District established by this resolution are necessary to prevent excessive groundwater production and to protect the water supply of the District and users of groundwater within the District.
- f. The District will lower the BEA by \$200/acre-foot to encourage additional groundwater pumping to the 19 retail Groundwater Producers except for the city of Huntington Beach, the city of Tustin, Mesa Water District and the Irvine Ranch Water District as these four agencies are in existing programs to pump over the BPP.
- g. The Basin Equity Assessment shall be set at \$0 per acre-feet for agricultural irrigation use producers who do not have a supplemental water connection, and that such amount is reasonable.
- h. The Basin Equity Assessments to be levied against all other persons and operators in a dollar amount per acre-foot of water produced from the groundwater supply (in excess of the basin production percentage) for all purposes including irrigation are as follows:

i.

Table 1 - Basin Equity Assessments

<u>Groundwater Producer</u>	<u>BEA (\$/AF)</u>
City of Anaheim	128
City of Buena Park	539
East Orange County Water District	397
City of Fountain Valley	435
City of Fullerton	426
City of Garden Grove	420
Golden State Water Company	423
City of Huntington Beach	650
Irvine Ranch Water District	580
City of La Palma	408
Mesa Water District	619
City of Newport Beach	430
City of Orange	404
City of Santa Ana	384
City of Seal Beach	402
Serrano Water District	293
City of Tustin	520
City of Westminster	425
Yorba Linda Water District	326
All producers for agricultural irrigation use	868
Producers for agricultural Irrigation Use without MWD Access	0
All Others	599

j. The amount of each such Basin Equity Assessment is reasonable.

k. During the ensuing water year, upon the District giving published notice thereof, pursuant to Section 6061 of the Government Code, in a newspaper of general circulation printed and published within the District at least 10 days prior to such hearing, a subsequent public hearing may be held to modify the basin production percentage, any Basin Equity Assessments, any surcharge, or any production requirement or limitation established by the District.

Section 2: That pursuant to Section 31.5(h) of the Orange County Water District Act, all persons and operators who produce 25 acre-feet or less of water from groundwater within the District shall be excluded from the levy of the Basin Equity Assessments and production requirements and limitations provided for herein.

Section 3: The Board of Directors finds and determines that the establishment of the basin production percentage, production limitations, and the adoption, levy and imposition of basin equity assessments and surcharges are exempt from the California Environmental Quality Act (“CEQA”) under State CEQA Guideline §15378(b)(2) since they involve continuing administrative activities such as general policy and procedure making.

Section 4: Based upon the staff report and presentation, the proposed fiscal year 2024-25 budget presented by the General Manager, and the testimony and evidence presented at the public hearing, the Board of Directors finds and declares that the adoption, levy and imposition of the basin equity assessments, production limitations and surcharges do not constitute a “project” within the meaning of CEQA and are exempt from CEQA under Public Resources Code Section 21080(b)(8) and State CEQA Guidelines §§ 15378(b)(4) and 15273, because the basin equity assessments production limitations and surcharges: (a) involve the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and (b) are for the purposes of meeting operating expenses (including employee wage rates and fringe benefits), purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain the level of service within the District’s existing boundaries.

Section 5: That the Secretary of this District is hereby instructed and directed to give notice of the Basin Production Percentage, Basin Equity Assessments, the Production Limitation and the Production Limitation Surcharge as required by the Orange County Water District Act, and to file a Notice of Exemption in accordance with CEQA.

CONSENT CALENDAR

The Consent calendar was voted on first, out of order of the agenda.

Director Weigand requested the removal of Item No. 4, *State Legislative Update*, from the Consent Calendar. The balance of the Consent Calendar was approved upon motion by Director Tran seconded by Director Whitaker and carried [8-0] as follows,

Ayes: Amezcuia, Bilodeau, Green, Sheldon, Tran, Weigand, Whitaker, Yoh

Absent: Meeks, Nguyen

2. Approval of Cash Disbursements

MOTION NO. 24-37 APPROVING CASH DISBURSEMENTS

Payment of bills for the period of March 28, 2024 through April 10, 2024 in the total amount of \$4,624,932.96 is ratified and approved.

3. Minutes of Board of Directors Meetings held March 20 and April 3, 2024

MOTION NO. 24-38 APPROVING MINUTES OF BOARD OF DIRECTORS MEETINGS

The Minutes of the Board of Directors meetings held March 20 and April 3, 2024 are hereby approved as presented.

ITEMS RECOMMENDED FOR APPROVAL AT COMMUNICATIONS AND LEGISLATIVE LIAISON COMMITTEE MEETING HELD APRIL 4

4. State Legislative Update

This item was removed from the Consent Calendar and considered separately.

ITEMS RECOMMENDED FOR APPROVAL AT WATER ISSUES COMMITTEE MEETING HELD
APRIL 10

5. Purchase Order to ABM Electrical Power Services, LLC for Field Headquarters Site Wide Electrical Maintenance and Testing

RESOLUTION NO. 24-4-35

AUTHORIZING AGREEMENT WITH ABM ELECTRICAL POWER SERVICES, LLC FOR FIELD HEADQUARTERS SITE WIDE ELECTRICAL MAINTENANCE AND TESTING

RESOLVED, that issuance of an agreement is authorized with ABM Electrical Power Services, LLC in the amount of \$54,650 for services to inspect, clean, test and certify 12 sites' power distribution equipment.

6. Award Contract GBM-2024-1 Destruction of Monitoring Wells AM-29A and MCAS-10

RESOLUTION NO. 24-4-36

AWARDING CONTRACT GBM-2024-1 DESTRUCTION OF MONITORING WELLS AM-29A AND MCAS-10 TO BC2 ENVIRONMENTAL, LLC

WHEREAS, a Notice Inviting Bids for Contract No. GBM-2024-1 Destruction of Monitoring Wells AM-29A AND MCAS-10, was published in The Orange County Register on February 20, 2024; and

WHEREAS, the following bids were received and opened on April 2, 2024:

BC2 Environmental, LLC	\$ 27,500
ABC Liovin Drilling, LLC	\$ 78,750
Arsenal Well Drilling Inc.	\$ 285,000

WHEREAS, the District staff recommends awarding the contract to BC2 Environmental, LLC (BC2) for an amount not to exceed \$27,500 for destruction of monitoring wells AM-29A and MCAS-10.

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: The Affidavit of Publication of Notice Inviting Bids for Contract No. GBM-2024-1 is received and filed.

Section 2: The lowest responsive bid of BC2 Environmental, LLC in the amount of \$27,500 is accepted and all other bids are rejected.

Section 3: Issuance of a services agreement to BC2 Environmental, LLC for destruction of monitoring wells AM-29A and MCAS-10 for an amount not to exceed \$27,500 is hereby authorized.

7. Amendment 1 to Agreement 1547 with Falcon Services for Aboveground Gasoline Storage Tank

RESOLUTION NO. 24-4-37

AUTHORIZING AMENDMENT TO AGREEMENT WITH FALCON SERVICES FOR ABOVEGROUND GASOLINE STORAGE TANK

WHEREAS, pursuant to Resolution No. R23-8-105 adopted August 16, 2023, OCWD authorized an agreement to Falcon Services & Construction, Inc. for Installation of Aboveground Gasoline Storage Tank; and

WHEREAS, the Water Issues Committee of this Board has recommended issuance of Amendment No. 1 to Agreement No.1547 with Falcon Services & Construction, Inc. for an amount not to exceed \$17,923 and to extend the termination date to December 31, 2024;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve issuance of Amendment No. 1 to Agreement No. 1547 with Falcon Services & Construction, Inc as outlined herein; and, upon approval as to form by General Counsel, its execution by the District officers is authorized.

8. Sunset Gap Seawater Intrusion Investigation: Notice of Completion for Contract SG-2021-1 Additional Monitoring Well Installations

RESOLUTION NO. 24-4-38

ACCEPTING COMPLETION OF CONTRACT SG-2021-1 ADDITIONAL MONITORING WELL INSTALLATIONS

WHEREAS, the District staff has reported that BC2 Environmental has completed work under Contract No. SG-2021-1 Construction of Five Monitoring Well Clusters BS23 and BS25 through BS28 for the installation of 11 monitoring wells at five sites located in the cities of Seal Beach and Huntington Beach; and

WHEREAS, staff has advised of issuance of Change Orders Nos. 1-7, which were executed under the General Manager's authority; and

WHEREAS, the Water Issues Committee of this Board has recommended that the District accept completion of said work and that a Notice of Completion be filed for recordation and the balance of payment be made, pursuant to the terms and conditions of such contract;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: Issuance of Change Orders Nos. 1-7 to such Contract is hereby ratified.

Section 2: Work under such Contract is accepted as complete, and the District staff is authorized and directed to execute a Notice of Completion and record said Notice in the Office of the County Recorder.

Section 3: Upon expiration of the interim lien period, providing no liens have been filed, payment of the balance due under such Contract shall be made.

9. Execution of Sub-Grantee Agreement for Round 2 of Proposition 1 Integrated Regional Water Management Implementation Grant for Garden Grove Well 19 and Santa Ana Well 31 PFAS Projects

RESOLUTION NO. 24-4-39

**AUTHORIZING AGREEMENT FOR ROUND 2 OF PROPOSITION 1 INTEGRATED REGIONAL
WATER MANAGEMENT IMPLEMENTATION GRANT FOR GARDEN GROVE WELL 19 AND
SANTA ANA WELL 31 PFAS PROJECTS**

RESOLVED, that Execution of the Sub-Grantee Agreement with SAWPA for Round 2 of Proposition 1 IRWM Implementation Grant Program for the Orange County Regional Per and Polyfluoroalkyl Substances (PFAS) Groundwater Treatment Program: Cities of Garden Grove and Santa Ana Projects is hereby approved.

**ITEMS RECOMMENDED FOR APPROVAL AT ADMINISTRATION FINANCE COMMITTEE
MEETING HELD APRIL 11**

10. Monthly Cash Control Report

MOTION NO. 24-39

RECEIVING AND FILING THE MONTHLY CASH CONTROL REPORTS

The Summary Cash and Cash Equivalents Control Reports dated March 31, 2024 are hereby received and filed.

11. Investment Portfolio Holdings Reports

MOTION NO. 24-40

RECEIVING AND FILING INVESTMENT PORTFOLIO HOLDINGS REPORTS

The Investment Portfolio Holdings Reports dated March 31, 2024 are hereby received and filed.

12. Authorize Purchase Order to Bender CCP for Repair of Five RO High Pressure Feed Pumps

RESOLUTION NO. 24-4-40

**AUTHORIZING ISSUANCE OF PURCHASE ORDER TO BENDER CCP FOR REPAIR OF FIVE RO
HIGH PRESSURE FEED PUMPS**

Authorize issuance of Purchase Order to Bender CCP in the amount of \$297,461 for repair of five reverse osmosis high pressure feed pumps for RO units F02, F03, G01, G02 and G03 and establish a total project budget of \$500,000.

**13. Amendment No.4 to Agreement No. 1298 with Lhoist North America for the supply and delivery of
hydrated lime**

RESOLUTION NO. 24-4-41

**AUTHORIZING AMENDMENT TO AGREEMENT WITH LHOIST NORTH AMERICA FOR
CONTINUED SUPPLY AND DELIVER OF HYDRATED LIME**

WHEREAS, pursuant to Resolution No. 18-4-50 adopted April 18, 2018, as amended, OCWD authorized Agreement No. 1298 to Lhoist North America for supply and delivery of hydrated lime at the rate of \$ 237 per ton for a period of two years with an option to renew for an additional two years; and,

WHEREAS, the Administration and Finance Issues Committee of this Board has recommended issuance of Amendment No. 4 to Agreement No.1298 with Lhoist North America for the supply and delivery of hydrated lime at the rate of \$448.16 per ton for a period of 14 months;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve issuance of Amendment No. 4 to Agreement No. 1298 with Lhoist North America.as outlined herein; and, upon approval as to form by General Counsel, its execution by the District officers is authorized.

14. Additional Funds for Water Production R&R Fund 23008

RESOLUTION NO. 24-4-42

AUTHORIZING ISSUANCE OF ADDITIONAL FUNDS TO THE WATER PRODUCTION
REFURBISHMENT AND REPLACEMENT ACCOUNT R23008

RESOLVED, that issuance of additional funds in the amount of \$800,000 to the Water Production Refurbishment and Replacement account R23008 is hereby authorized.

MATTERS FOR CONSIDERATION

4. State Legislative Update

Director Weigand stated that he is in opposition of AB 2515 Papan (D-San Mateo) Menstrual products: perfluoroalkyl and polyfluoroalkyl substances (PFAS) due to its disruption to businesses and its customers. He advised that he takes issue with attacking corporations that produce these products. Director Tran stated that he is in agreement with Director Weigand and sees the bill as anti-business which could affect jobs. Director Sheldon recommended the bill be deferred back to the Communications and Legislative Committee for further discussion. The Directors agreed to defer AB 2515 Papan back to the Communications and Legislative Liaison Committee and voted on the remaining bills in item No. 4.

Upon motion by Director Sheldon, seconded by Director Weigand and carried [9-0] as follows,

Ayes: Amezcua, Bilodeau, Green, Meeks, Sheldon, Tran, Weigand, Whitaker, Yoh

Absent: Nguyen

MOTION NO. 24-41

DEFERRING AB 2515 PAPAN (D-SAN MATEO) MENSTRUAL PRODUCTS: PERFLUOROALKYL
AND POLYFLUOROALKYL SUBSTANCES (PFAS) TO COMMUNICATIONS AND LEGISLATIVE
COMMITTEE

AB 2515 Papan (D-San Mateo) Menstrual products: perfluoroalkyl and polyfluoroalkyl substances (PFAS) is hereby deferred back to the Communications and Legislative Committee for further analysis and discussion.

RESOLUTION NO. 24-4-43
ADOPTING POSITIONS ON STATE LEGISLATION

RESOLVED, that the following positions on legislation are hereby adopted.

Bill Number/Short Title/Author	Position Recommendation
AB 2079 Bennett (D-Oxnard) Groundwater extraction: large-diameter, high-capacity wells: permits. Bennett (D-Ventura).	Oppose

SB 1147 Portantino (D-Glendale) Drinking water: bottled water: microplastics levels.	Oppose Unless Amended
Bills to remove PFAS from consumer products:	
SB 903 Skinner (D-Oakland) Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances	Support (Sponsored by CA Association of Sanitation Agencies)
AB 2761 Hart (D, Santa Barbara) Product safety: plastic packaging: Reducing Toxics in Packaging Act	Support
SB 1266 Limón (D, Oxnard) Product safety: perfluoroalkyl and polyfluoroalkyl substances	Remove support and remain neutral

15. Proposed Fiscal Year 2024-2025 Budget

Treasurer/CFO Randy Fick recalled that the proposed FY 2024-25 budget has been reviewed in detail with the Board and the Groundwater Producers over the past few months. He reported that the budget expenditures total \$247.6 million and reviewed the various budget components. The Board then took the following action approving the FY 2024-25 budget.

Upon motion by Director Amezcua, seconded by Director Meeks, with Director Sheldon Voting “No”, the following resolution was adopted [9-1].

Ayes: Amezcua, Bilodeau, Green, Meeks, Nguyen, Tran, Weigand, Whitaker, Yoh
 Noes: Sheldon

RESOLUTION NO. 24-4-44 APPROVING FISCAL YEAR 2024-25 BUDGET

WHEREAS, the Orange County Water District Board of Directors has reviewed the proposed OCWD Budget for fiscal year 2024-25 as presented by the General Manager and District Chief Financial Officer/Treasurer;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve and adopt the fiscal year 2024-25 budget expenditures as follows:

\$ 105.2 million	General Fund
\$ 6.0 million	Water Purchase Fund
\$ 46.5 million	Debt Service Fund
\$ 59.4 million	Capital Improvement Program
\$ 0.6 million	Retiree Health Insurance Fund
\$ 0.9 million	New Capital Equipment Fund
\$ 23.6 million	Replacement and Refurbishment Fund
\$ 5.4 million	PFAS O&M

INFORMATIONAL ITEMS

16. USEPA PFAS Drinking Water Regulations

Executive Director Jason Dadakis reported that The U.S. Environmental Protection Agency (EPA) released its final National Primary Drinking Water Regulation (NPDWR) for per- and polyfluoroalkyl substances (PFAS) on April 10, 2024. He advised that it includes individual maximum contaminant levels (MCLs) of 4.0 parts per trillion (ppt) for PFOA and PFOS and 10 ppt for PFHxS, PFNA, and HFPO-DA (GenX), as

well as Hazard Index comprised of multiple PFAS. He stated that staff currently estimates approximately 40 additional Producer wells in the OCWD service territory would require treatment under the NPDWR and USEPA is allowing public water systems until 2029 to comply.

17. Water Resources Summary

General Manager John Kennedy stated the report is in the packet.

18. Committee/Conference/Meeting Reports

The Board reported on attendance at the following Committee meetings, noting the Action Agendas were included in tonight's Board packet.

- April 04 - Communication & Legislative Liaison Committee
- April 08 - GWRS Steering Committee
- April 10 - Water Issues Committee
- April 11 - Administration and Finance Issues Committee

19. Verbal Reports

Director Yoh stated that he and President Green along with General Manager John Kennedy attended the rededication of the Yorba Linda PFAS treatment plant now named Wayne Miller PFAS treatment plant to honor former Yorba Linda Water District Director Miller. President Green reported that ACWA formed a Strategic Planning Committee and noted there is one person from every region.

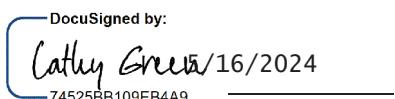
RECESS TO CLOSED SESSION

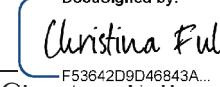
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION –
[Government Code Section 54956.9(d)(1)] –
OCWD v. 3M Company et al.

General Counsel Jeremy Jungreis advised that there was no need for the agendized Closed Session.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 6:41 p.m.

DocuSigned by:

Cathy Green, President
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DocuSigned by:

Christina Fuller, 5/16/2024
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Christina Fuller, District Secretary